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इस भाग में भिन्न पृष्ठ संख्या दी जाती है जिससे कि यह प्रलग संकलन के रूप में रखा जा सके।

Separate paging is given to this Part in order that it may be filed as a separate compilation.

MINISTRY OF FINANCE

(Department of Revenue and Insurance)

NOTIFICATION

INCOME-TAX

New Delhi, the 14th February 1969

S.O. 623.—In pursuance of sub-section (3) of section 40A of the Income-tax Act, 1961 (43 of 1961), the Central Government hereby specifies the 31st day of March, 1969 as the date for the purposes of that sub-section.

[No. 8/F. No. 1(120)/68-TPL.]

K. S. SUNDARA RAJAN, Addl. Secy.

CENTRAL BOARD OF DIRECT TAXES

NOTIFICATION

INCOME-TAX

New Delhi, the 14th February 1969

S.O. 624.—In exercise of the powers conferred by section 295 of the Income-tax Act, 1961 (43 of 1961), the Central Board of Direct Taxes hereby makes the following rules further to amend the Income-tax Rules, 1962, namely:—

1. (1) These rules may be called the Income-tax (Amendment) Rules, 1969.
- (2) They shall come into force on the 1st day of April, 1969.
2. In the Income-tax Rules, 1962, after rule 6D the following rule shall be inserted, namely:—

"6DD. Cases and circumstances in which payment in a sum exceeding two thousand five hundred rupees may be made otherwise than by a

crossed cheque drawn on a bank or by a crossed bank draft.—No discount allowance under sub-section (3) of section 40A shall be made where any payment in a sum exceeding two thousand five hundred rupees is made otherwise than by a crossed cheque drawn on a bank or by a crossed bank draft in the cases and circumstances specified hereinunder, namely:—

- (a) Where the payment is made to—
 - (i) the Reserve Bank of India or any banking company as defined in clause (c) of section 5 of the Banking Regulation Act, 1949 (10 of 1949);
 - (ii) the State Bank of India or any subsidiary bank as defined in section 2 of the State Bank of India (Subsidiary Banks) Act, 1959 (38 of 1959);
 - (iii) any co-operative bank or land mortgage bank;
 - (iv) any primary agricultural credit society as defined in clause (cii) of section 2 of the Reserve Bank of India Act, 1934 (2 of 1934) or any primary credit society as defined in clause (civ) of that section;
 - (v) the Life Insurance Corporation of India established under section 3 of the Life Insurance Corporation Act, 1956 (31 of 1956);
 - (vi) the Industrial Finance Corporation of India established under section 3 of the Industrial Finance Corporation Act, 1948 (15 of 1948);
 - (vii) the Industrial Credit and Investment Corporation of India Ltd.;
 - (viii) the Industrial Development Bank of India, established under section 3 of the Industrial Development Bank of India Act, 1964 (18 of 1964);
 - (ix) the Unit Trust of India established under section 3 of the Unit Trust of India Act, 1963 (52 of 1963);
 - (x) the Madras Industrial Investment Corporation Ltd., Madras;
 - (xi) the Andhra Pradesh Industrial Development Corporation Ltd., Hyderabad;
 - (xii) the Kerala State Industrial Development Corporation Ltd., Trivandrum;
 - (xiii) the State Industrial and Investment Corporation of Maharashtra Ltd., Bombay;
 - (xiv) the Punjab State Industrial Development Corporation Ltd., Chandigarh;
 - (xv) the National Industrial Development Corporation Ltd., New Delhi;
 - (xvi) the Mysore State Industrial Investment and Development Corporation Ltd., Bangalore;
 - (xvii) the Haryana State Industrial Development Corporation Ltd., Chandigarh;
 - (xviii) any State Financial Corporation established under section 3 of the State Financial Corporations Act, 1951 (63 of 1951);
- (b) where the payment is made to Government and, under the rules framed by it, such payment is required to be made in legal tender;
- (c) where under any contract entered into by the assessee before the 1st day of April, 1969, the payment is required to be made in legal tender;
- (d) where the payment is made by—
 - (i) any letter of credit arrangements through a bank;
 - (ii) a mail or telegraphic transfer through a bank;
 - (iii) a book adjustment from any account in a bank to any other account in that or any other bank;
 - (iv) a bill of exchange made payable only to a bank.

Explanation.—For the purposes of this clause and clause (h), the term "bank" means any bank, banking company or society referred to in sub-clauses (i) to (iv) of clause (a) and includes any bank [not being a banking company as defined in clause (c) of section 5 of the Banking Regulation Act, 1949 (10 of 1949)], whether incorporated or not, which is established outside India;

- (e) where the payment is made by way of adjustment against the amount of any liability incurred by the payee for any goods supplied or services rendered by the assessee to such payee;
- (f) where the payment is made for the purchase of—
 - (i) agricultural or forest produce; or
 - (ii) the produce of animal husbandry (including hides and skins) or dairy or poultry farming; or
 - (iii) fish or fish products; or
 - (iv) the products of horticulture or apiculture, to the cultivator, grower or producer of such articles, produce or products;
- (g) where the payment is made for the purchase of the products manufactured or processed without the aid of power in a cottage industry, to the producer of such products;
- (h) where the payment is made in a village or town, which on the date of such payment is not served by any bank, to any person who ordinarily resides, or is carrying on any business, profession or vocation, in any such village or town;
- (i) where any payment by way of gratuity, retrenchment compensation or similar terminal benefit, is made to an employee of the assessee or the heirs of any such employee on or in connection with the retrenchment, resignation, discharge or death of such employee, if the income chargeable under the head "Salaries" of the employee in respect of the financial year in which such retirement, resignation, discharge or death took place or the immediately preceding financial year did not exceed Rs. 7500;
- (j) in any other case, where the assessee satisfies the Income-tax Officer that the payment could not be made by a crossed cheque drawn on a bank or by a crossed bank draft due to exceptional or unavoidable circumstances and also furnishes evidence to the satisfaction of the Income-tax Officer as to the genuineness of the payment and the identity of the payee."

[No. 9/F. No. 1(120)/68-TPL.]

V. RAMASWAMI IYER, Secy.

